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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: :
SEARS HOLDINGS CORPORATION, *et al.*, : Case No. 18-23538 (RDD)
: (Jointly Administered)
: :
Debtors. : **Re: Docket No. 5075**
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**RESPONSE BY MICROSOFT TO DEBTORS' SIXTH OMNIBUS OBJECTION
TO PROOFS OF CLAIM (SATISFIED CLAIMS)**

COME NOW Microsoft Corporation and its wholly owned affiliates, Microsoft Licensing, GP, and Microsoft Online, Inc. (collectively "Microsoft"), and respond to *Debtors' Sixth Omnibus Objection To Proofs Of Claim (Satisfied Claims)* (Docket No. 5075, at page 9 of 43) as follows:

1. Debtors object to and propose to disallow in their entirety and expunge the following Proofs of Claim of Microsoft on grounds that "[t]he Claim was satisfied and/or released, as associated contract was assumed and assigned to Transform Holdco LLC:"

Ref #	Name of Claimant	Proof of Claim No. to be Disallowed and Expunged	Asserted Debtor	Asserted Amount*
60.	Microsoft Corporation	15257	Sears Holdings Corporation	237,275.00
61.	Microsoft Corporation and Microsoft Licensing, GP	15480	Sears Holdings Corporation	35,120.34
62.	Microsoft Corporation and Microsoft Online, Inc.	15887	Sears, Roebuck and Co.	1,562,932.49
63.	Microsoft Corporation and Microsoft Online, Inc.	17745	Sears Home & Business Franchises, Inc.	41,017.47

2. Claim No. 15257. This administrative claim of \$237,275 is for post-petition services provided under a Microsoft Enterprise Services Work Order pursuant to that certain Microsoft Premier Master Services Agreement No. U9873175. This Agreement was assumed and assigned to Transform SR Holding Management LLC, and then amended, and Transform paid the \$237,275 cure amount in installments of \$149,052 on May 3, 2019, and \$88,223 on July 5, 2019.

3. Microsoft agrees that Debtors' objection to Claim No. 15257 should be sustained.

4. Claim No. 15480. This general unsecured claim of \$35,120.34 is for pre-petition amounts due under Microsoft Enrollments 55241098 and 72210838 by which Debtor Sears Holding Management Corporation obtained licenses to use Microsoft software and products throughout its enterprise. The cure amount of \$35,120.24 is included in the Cure Objection of Microsoft (Doc 1842 at page 3 of 4).

5. This Agreement was assumed and assigned to Transform SR Holding Management LLC, and then amended, and Transform paid the \$35,120.24 on August 8, 2019.

6. Microsoft agrees that Debtors' objection to Claim No. 15480 should be sustained.

7. Claim No. 15887. This general unsecured claim of \$1,562,932.49 against Sears, Roebuck and Co. is for pre-petition amounts due under a Microsoft Bings Ad Agreement. The cure amount of \$1,562,932.49 is included in the Cure Objection of Microsoft, which states that “Microsoft and certain of the Debtors are parties to a Bing Ad Agreement and certain Insertion Orders” (Doc 1842 at page 3 of 4).

8. This Agreement was *not* assumed and assigned. Instead, it was *rejected* by direct reference to the Cure Objection of Microsoft (Doc 3268 at Ref # 22 on page 10 of 31).

9. Accordingly, Debtors objection to Claim No. 15887 should be overruled.

10. Claim No. 17745. This general unsecured claim of \$41,017.47 against Sears Home & Business Franchises, Inc., is for pre-petition amounts due under a Microsoft Bings Ad Agreement.

11. This Agreement was *not* assumed and assigned. Instead, it was *rejected* by direct reference to the Cure Objection of Microsoft (Doc 3268 at Ref # 22 on page 10 of 31).

12. As set forth in the following excerpt from Claim 17745, the amount of Claim 17745 is included in the amount of Claim No. 15887:

As a precaution to be sure that it has filed its claim for Account ID 2601866 against the correct debtor, and in addition to this proof of claim, but not to seek duplicate payment, Microsoft is filing a separate proof of claim in the estate of Sears Roebuck and Co. (18-23537) that includes the amount of \$41,017.47 claimed in this proof of claim.

13. Accordingly, Debtors objection to Claim No. 17745 should be overruled.

Reservation of Rights

14. Microsoft reserves the right to amend or withdraw this Response pending further investigation.

WHEREFORE, Microsoft responds as set forth herein.

DATED September 20, 2019.

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DECLARATION OF SERVICE

Veronica I. Magda declares:

1. I am an employee of Fox Rothschild LLP which represents Microsoft. I am a citizen of the United States, over the age of 18, and competent to make this Declaration.
2. On September 20, 2019, I electronically filed the RESPONSE BY MICROSOFT on behalf of Microsoft with the Clerk of the Court (using the CM/ECF System).
3. On September 20, 2019, I served a copy of the RESPONSE BY MICROSOFT to the following:
 - a. parties requesting ECF notifications, via the Court's ECF case notification system;
 - b. parties listed on the attached Service List A, via first class mail; and
 - c. parties listed on the attached Services List B, via email.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

DATED this 20th day of September, 2019, at Seattle, Washington.

By: /s/ Veronica I. Magda

SERVICE LIST A

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